Item 1 – Cover Page

Passport Capital, LLC

One Market Street
Steuart Tower, Suite 2200
San Francisco, CA 94105
(415) 321-4600
www.passportcapital.com

March 31, 2017

This brochure provides information about the qualifications and business practices of Passport Capital, LLC ("Passport" or "Adviser"). If you have any questions about the contents of this brochure, please contact us at (415) 321-4600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Passport is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information that assists you in determining whether to hire or retain an adviser.

Additional information about Passport is also available on the SEC's website at www.adviserinfo.sec.gov and in the fund documents pertaining to any investment in a Passport–advised fund. Investors who enter into managed account relationships with Passport receive such information in the applicable investment management agreement and/or other documents governing the account.

This brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities or interests in any of the entities described in this brochure. Any such offer or solicitation will be made solely to qualified investors by means of a private placement memorandum and related subscription documents or by means of a managed account investment management agreement and related documentation.

Item 2 – Material Changes

There have been no material changes since the date of our last brochure dated June 24, 2016.

Item 3 -Table of Contents

Item 1 – Cover Page i
Item 2 – Material Changes ii
Item 3 -Table of Contents iii
Item 4 – Advisory Business 1
Item 5 – Fees and Compensation 2
Item 6 – Performance-Based Fees and Side-By-Side Management 3
Item 7 – Types of Clients 4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss. 5
Item 9 –Disciplinary Information 34
Item 10 – Other Financial Industry Activities and Affiliations 36
Item 11 – Code of Ethics 36
Item 12 – Brokerage Practices 40
Item 13 – Review of Accounts 43
Item 14 – Client Referrals and Other Compensation 44
Item 15 – Custody 44
Item 16 – Investment Discretion 45
Item 17 – Voting Client Securities 46
Item 18 – Financial Information 47
Item 19 – Requirements for State-Registered Advisers 47

Item 4 – Advisory Business

Passport Capital, LLC is a global investment firm founded by John H. Burbank III.

Passport has been managing client assets since August 2000. Passport's advisory business is limited to serving as the investment manager or sub-adviser to privately offered pooled investment vehicles, registered investment companies ("RICs") and an Undertakings for the Collective Investment in Transferrable Securities fund ("UCITS") (RICs, UCITS, and pooled investment vehicles are collectively referred to herein as "Funds") and managed accounts ("Managed Accounts") and non-discretionary accounts (non-discretionary accounts, Managed Accounts and Funds are collectively referred to herein as "Clients"). Each pooled investment vehicle for which Passport acts as the investment manager is accompanied by a private placement memorandum ("PPM") and governed by an operating agreement and investment management agreement ("IMA"), while each RIC and Managed Account is governed by an IMA.

John H. Burbank III is the sole managing member of Passport and controls 100% of the voting shares. Passport has ordinary members that have economic interests in Passport but do not have voting rights. Passport employs 59 employees.

Passport serves as discretionary investment adviser to Funds and Managed Accounts (in regards to the latter, it may also from time to time act as a non-discretionary investment adviser).

Passport seeks to create portfolios for its Clients that generate superior compounded returns on a risk-adjusted basis over a long-term horizon. Passport's investment process uses a combination of macroeconomic and sector analyses to develop major investment themes Passport believes will present investment opportunities and then performs bottom-up fundamental research on individual companies to identify individual investments that express such themes and create the desired sector exposure in a global portfolio of securities. In addition to macro analysis, sector analysis, and bottom-up fundamental research, Passport utilizes quantitative tools in risk management analysis, portfolio construction, and other portfolio decisions to further inform the investment professionals regarding risk exposures, risk scenarios, hedging, and comparisons of investment opportunities. Passport's areas of focus are the following: Consumer, Credit, Emerging Markets, Energy, Financials, Healthcare, Industrials, Internet/Technology and Resources. Passport's investment strategies are further described in Item 8 below.

The Funds fall within one of the offered strategies as more particularly described in Item 8. Investors choose between the Funds based on their interests and desire for exposure to different sectors, regions, investment types, return and risk management objectives, and issuer market capitalizations among other factors. A particular Fund may have various share classes, which allow investors to choose between options for the length of the lock-up period and liquidity of underlying security positions and fee structures. Detailed descriptions of such share class options are outlined in each Fund's offering documents.

There are no material restrictions on the types of investments and/or strategies the Adviser may employ for the Funds. Descriptions of the Funds' mandates and investment objectives and investment strategies are communicated to investors in the Funds' offering documents.

Each Managed Account and sub-advised RIC may be specifically tailored to the individual needs of the Managed Account holder or RIC such that certain securities or types of securities are restricted, though Passport generally has entered into relationships with investors whose investment objectives generally fall within one or more of the investment strategies that are the focus of Passport's investment team.

Certain Clients may have restrictions on investing in certain securities or types of securities, restrictions regarding specific securities or industries, gross or net exposure guidelines, or maximum position sizes, among other restrictions as individually negotiated with such Clients.

Passport does not participate in any wrap fee programs.

As of January 31, 2017, Passport managed approximately $2.556 billion of discretionary client assets.

Item 5 – Fees and Compensation

Passport receives an annual management fee ("Management Fee") from the pooled investment vehicles. The amount of the Management Fee may equal up to 2% per annum depending on the investor's choice of share class and lock-up period. Management Fees are calculated using one of three methods and may be deducted from Client assets or invoiced for fees owed:

- calculated and payable quarterly as of the first day of each calendar quarter;
- calculated and payable monthly in advance of the month as of the first business day of the calendar month; or

- calculated and payable monthly in arrears.

A detailed description of the Management Fee calculation is outlined in each pooled investment vehicle's PPM. Passport may waive or reduce the Management Fee in respect of any investor in its sole discretion.

Passport also receives Management Fees from the Managed Accounts, RICs and UCITS fund as individually negotiated and set forth in their respective IMAs.

The pooled investment vehicles, Managed Accounts and UCITS fund each may also pay a performance-based fee to Passport or an affiliated entity such as Passport Ventures II, LLC as noted in Item 6 below.

The calculation and payment of the Management Fee for the Funds and Managed Accounts will be pro-rated for any period that is less than a full month or quarter, as applicable. Any prepaid fees not subsequently earned through continuing management services would be refunded.

Passport's fees are exclusive of brokerage commissions, brokerage fees, transaction fees, and other related costs and expenses, which will be incurred by the Client. Please see also Item 12-Brokerage Practices. Clients may incur certain charges imposed by custodians, brokers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Exchange-traded funds ("ETFs") which can be held by a Fund or Managed Account also charge internal management fees, which are disclosed in the applicable prospectus. Such charges, fees, and commissions are exclusive of, and in addition to Passport's Management Fee, and Passport does not receive any portion of these commissions, fees, and costs.

Item 6 – Performance-Based Fees and Side-By-Side Management

Certain of the Clients advised by Passport have performance-based fee arrangements. Performance-based fee arrangements may potentially create an incentive for Passport to favor Clients paying such performance-based fees versus other Clients, such as RICs and UCITS who do not pay such fees or may pay lower performance-based fees than other Clients, when allocating investment opportunities. Such arrangements may also potentially create an incentive for Passport to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Passport has adopted policies and procedures it believes are reasonably designed to mitigate conflicts of interest and to allocate securities on a fair and equitable basis.

However, there is no guarantee that a Client will participate in every investment opportunity identified by Passport.

Managed Accounts: Passport and/or its affiliates may from time to time enter into performance-based fee arrangements with qualified Managed Account Clients. Such fees are subject to individual negotiations with each such Client. To qualify for a performance-based fee arrangement the Managed Account Client must have at least $1 million under Passport's management or a net worth of more than $2 million. In measuring Clients' assets for the calculation of performance-based fees, Passport includes realized and unrealized capital gains and losses.

Pooled Investment Vehicle and UCITS Performance Fees: The amount of performance-based fees paid or allocated to Passport or its affiliates is dependent on the investor's choice of pooled investment vehicle and share class and may equal up to 20% per annum of the profits (including realized and unrealized gains and losses) allocated to the vehicle's investors. Performance-based fees are either paid or allocated at the end of the calendar year or when an investor withdraws or redeems. The vehicle's general partner, board of directors or Passport, as applicable, may waive or reduce the performance-based fee in respect of any investor at its discretion.

RICs: The RICs advised by Passport are not charged any performance-based fees. This may, as discussed above, create a potential conflict of interest.

Item 7 – Types of Clients

Passport's Clients include pooled investment vehicles, RICs and UCITS. From time to time, Passport Clients also include Managed Accounts.

The pooled investment vehicles are generally structured as master/feeder funds, meaning that investors contribute to a feeder fund which then, along with one or more additional feeder funds, contributes all or substantially all of its assets to a master fund. The collective assets of the master fund are then invested in a pool of securities as determined by Passport as discretionary investment adviser. The feeder fund offerings generally include a U.S. limited partnership option (the "Onshore Feeder Funds") and a British Virgin Islands business company or Cayman Islands exempted company option (the "Offshore Feeder Funds").

The Onshore Feeder Funds are made available to investors who are "Accredited Investors" as defined under the U.S. Securities Act of 1933, as amended, and, dependent on choice of Fund, also qualify as either "Qualified Clients" under Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), or "Qualified Purchasers" within the meaning of the Investment Company Act of 1940, as amended. The Offshore Feeder Funds are made available to Investors who are qualified non-U.S. investors or are considered qualified U.S. tax-exempt investors and who are both Accredited Investors and either Qualified Clients or Qualified Purchasers, dependent on choice of Fund.

Investors in the vehicles include individuals, trusts, investment companies, pension plans, fund-of-funds, corporations, endowments, family offices and other types of business entities.

The minimum investment requirement for the vehicles range from $1,000,000 to $10,000,000, dependent on the choice of vehicle and share class. The minimum subscription requirement may be waived by Passport or its affiliate in its sole discretion.

Subject to the discretion of Passport to accept less, the minimum investment threshold for Managed Accounts is $100 million. Holders of Managed Accounts are generally institutions, corporations, pension plans, and other types of business entities.

Passport acts as sub-advisor to certain RIC Clients and as the investment manager of a UCITS, the underlying investors of which may be retail and other types of investors.

Passport may from time to time enter into letter agreements or other similar agreements (collectively, "Side Letters") with one or more investors in the pooled investment vehicles which may provide such investor(s) with additional and/or different rights (including, without limitation, with respect to Management Fees, performance-based fees, withdrawals, access to information, minimum investment amounts, and liquidity terms) than such investors have pursuant to the general terms of the applicable Fund. Passport will not be required to notify, or provide copies to, any or all of the other investors of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will Passport be required to offer such additional and/or different rights and/or terms to any or all of the other investors.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

INVESTMENT STRATEGIES.

Passport offers a number of investment strategies. Passport's flagship strategy is the Global strategy, which primarily focuses on a portfolio of long and short equity investments on a global basis. The portfolio managers employ a macroeconomic approach to identify investment themes and sectors that Passport believes are attractive for investment and then conduct bottom-up fundamental research, seeking to identify investment opportunities to express a theme or obtain exposure within particular sectors.

The Global strategy also utilizes risk management analysis in portfolio construction in seeking to inform decisions regarding exposure to sectors and individual positions, the liquidity profile of the portfolio, hedging, and daily risk levels and tolerances. While the Global strategy typically trades primarily in equity or equity-based securities and options, there are no limits on the type of securities the strategy may trade. The strategy may invest from time to time in a wide variety of derivatives, swaps, convertible securities, and credit instruments. For example, the strategy may express its investment themes and ideas through securities such as credit default swaps or interest rate derivatives and may employ ongoing trading strategies with respect to such securities or other equity or credit instruments and derivatives. Passport may also trade currency futures and currency forwards both to hedge currency risk and/or to express certain investment themes. The Global strategy tends to have a longer-term investment duration, but may engage in a variety of other trades or hedges that are shorter in duration when the portfolio manager believes attractive opportunities for such trading exist.

Passport has three additional global, long short equity strategies: the Passport Special Opportunities strategy, the Passport Long/Short strategy and the Passport Liquid Long Short and related strategies. Certain Funds or Managed Accounts may employ derivations of the aforementioned strategies. While these strategies may maintain and trade some of the same positions as the Global strategy or other of the strategies, each has different return, concentration, risk, liquidity, and investment duration profiles resulting in portfolios that are distinct and differentiated from the flagship Global strategy. In seeking to understand these long short equity strategies, and their differences, investors and potential investors should thoroughly review the offering document for each of the Funds and the Managed Accounts, including the descriptions of the particular strategy's investment mandate, its investment objectives and its risk factors.

The Adviser employs certain quantitative trading strategies in its flagship Global Fund that apply mathematical and statistical models to historical and current data in an attempt to identify profit opportunities resulting from "mispricings," deviations from statistical pricing patterns, market anomalies arising from supply and demand imbalances, and other factors. The models generate potential investment positions based on their analysis of this data. This analysis is combined with real-time market data to create buy and sell orders, which are then executed on behalf of the Fund.

The Passport Liquid Long Short strategy and derivations thereof are generally traded at the beginning of each month; additional trading and rebalancing may occur intra-month in response to market volatility, capital activity and other situations as may be designated by the Adviser from time to time, but as a general matter this strategy is traded less frequently than that of other Passport-managed strategies.

Each of the strategies described in this Item 8 may involve frequent trading which can lower investment performance, particularly due to increased brokerage and other transaction costs and taxes.

There can be no assurance that the strategies, Clients or the risk management system employed by Passport will meet their objectives. Investing in securities involves a substantial and/or total risk of loss that investors should be prepared to bear.

MATERIAL RISKS.

Each prospective Investor should, prior to investing, thoroughly review the risk factors described in the offering document or IMA, as applicable, of the relevant Client, which provides an extensive, but non-exhaustive, list of applicable risk factors.

Investments in the Funds or Managed Accounts involve a high degree of risk. A Fund's or Managed Account's portfolio may be subject to wide swings in value. Investing in securities involves a risk of loss that clients should be prepared to bear. Passport, as the Adviser, will follow an investment policy that, if unsuccessful, could involve substantial losses. Although Passport generally has the flexibility to react to changing market conditions, adverse changes in a company's situation could involve substantial losses. Passport makes no guarantee, either oral or written, that a Fund's or Managed Account's investment objective will be achieved. Under the applicable IMA, Passport, as the Adviser, is generally not liable for any error in judgment and/or for any investment losses a Fund or Managed Account may experience, in the absence of bad faith, fraud, gross negligence, willful misconduct or a willful violation of applicable law.

Investors should consider the Funds and Managed Accounts as a supplement to an overall investment program and should only invest if they are willing to undertake the risks involved. An investment in a Fund or Managed Account involves significant risks that may not be associated with other investment vehicles. In addition, investors who are subject to income tax should be aware that an investment in a Fund or Managed Account may create taxable income or tax liabilities in excess of cash distributions to pay such liabilities.

Prospective investors should carefully consider, among other factors, the risks described below. These risk factors are not meant to be an exhaustive listing of all potential risks associated with an investment in a Fund or Managed Account.

Reliance on the Adviser. The Funds and Managed Accounts have limited operating histories. There can be no assurance that the Funds or Managed Accounts will achieve their investment and risk management objectives. The past investment performance of the Adviser and its respective employees and affiliates who are responsible for managing the portfolio of the Funds and Managed Accounts may not be indicative of the future results of an investment in any Fund or Managed Account.

No Input in Fund or Managed Account Affairs. Investors in the Funds will have no right to take part in the conduct, management, operation or control of a Fund or any Fund's business. Investors will have extremely limited voting rights. There exists broad discretion to expand, revise, or contract the Fund's business without the consent of the investors. Any decision to engage in a new activity could result in the exposure of the Fund's capital to additional risks which may be substantial. Investors in a Managed Account will generally have no right to take part in the conduct or management of a Managed Account.

Investment and Trading Risks In General. All investments risk the loss of capital. Passport believes that the Funds' and Managed Accounts' investment programs and research techniques attempt to moderate this risk through a selection of securities and other financial instruments and risk management techniques. No guarantee or representation, however, is made that any Fund's or Managed Account's program will be successful, and investment results may vary substantially over time. A Fund's or Managed Account's investment program may utilize such investment techniques as options, limited diversification, margin transactions and short sales, which practices can, in certain circumstances, magnify the adverse impact to which the Fund or Managed Account may be subject.

Risks Associated With Reliance on the Adviser. The management of the Funds' and most Managed Accounts' investments will generally be vested exclusively with the Adviser. Persons should not invest in a Fund or Managed Account unless they are willing to entrust all aspects of the management of the Fund's or Managed Account's investments to the complete discretion of the Adviser. The success of a Fund's or Managed Account's investment strategy will depend on the management, skill and acumen of the Adviser. Investors will generally have no opportunity to select or evaluate in advance any of the Fund's investments or strategies. There can be no assurance that the members of the investment management team will remain employed by the Adviser. Additionally, investors generally have no right to obtain information about a Fund's current investments or strategies. If the Adviser, in its sole discretion, grants an investor access to such information, such access may be subject to strict confidentiality provisions.

Concentration of Investments; Investment Discretion. The Funds are generally not limited with respect to the concentration of their investments in particular securities, industries, or sectors and at times the Funds may hold a relatively small number of securities positions, each representing a relatively large portion of the Fund's capital. The portfolios of Managed Accounts may also contain concentrated positions subject to compliance with the terms of their respective IMA. Losses incurred in positions making up a significant percentage of a Fund's or Managed Account's capital could have a material adverse effect on such Fund's or Managed Account's overall financial condition.

In addition, the Adviser has wide latitude, subject to any particular restriction or guidelines contained in the applicable PPM or IMA to invest or trade a Fund's and Managed Account's assets, to pursue any particular strategy or tactic or to change a Fund's or Managed Account's emphasis, objectives, policies and/or strategy, all without obtaining the approval of the Investors. Subject to compliance with any specific guidelines in the applicable PPMs or IMAs, a Fund or Managed Account may at any time include long or short positions in publicly traded or privately issued or negotiated common stocks, privately placed securities, preferred stocks, stock warrants and rights, sovereign debt, corporate debt, bonds, notes or other debentures or debt participations, convertible securities, swaps, options (purchased or written), futures contracts, commodities and other derivative instruments, partnership interests and other securities or financial instruments including those of investment companies and other investment vehicles managed by other investment managers, Passport or an affiliate of Passport.

Risks Associated with Investing in Foreign Markets. The Funds and Managed Accounts will invest in foreign or domestic securities denominated in foreign currencies and/or traded outside of the United States. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, impositions of exchange control regulation by the United States and foreign governments, U.S. and foreign withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries and political difficulties, including expropriation of assets, confiscatory taxation, and economic or political instability in foreign nations.

There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the United States and certain foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those applicable to U.S. companies. Securities markets outside the United States, while growing in volume, have, for the most part, substantially less volume than U.S. markets and many securities traded on these foreign markets are less liquid and their prices more volatile than securities of comparable U.S. companies. In addition, settlement of trades in some non-U.S. markets is generally much slower and subject to a greater risk of failure than in U.S. markets. There also may be less extensive or more arbitrary regulation of the securities markets in particular countries than in the United States. Additional costs could be incurred in connection with international investment activities. Foreign brokerage commissions generally are higher than in the United States. Expenses may also be incurred on currency exchanges when a Fund or Managed Account changes investments from one country to another. Increased custodian costs as well as administrative difficulties (such as the applicability of foreign laws to foreign custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization, and record access) may be associated with the maintenance of assets in foreign jurisdictions. There is also potential difficulty in pursuing legal remedies.

Risks of Emerging Markets. The Funds and Managed Accounts may invest in global markets that are considered to be emerging markets. Such markets are generally less mature and developed than those in advanced countries. There are significant risks involved in investing in emerging markets, including liquidity risks, sometimes aggravated by rapid and large outflows of "hot money" and capital flight, currency risks, and political risks, including potential exchange control regulations and potential restriction on foreign investment and repatriation of capital. In many cases, such risks are significantly higher than those in developed markets.

Emerging market countries have varying laws and regulations and, in some countries, foreign investment is controlled or restricted to varying degrees. In some countries where prior government approval is required for foreign investments, there are regulations that may limit the amount of the foreign investment in a particular type of investment, company or sector of the economy, or there are certain restrictions on foreign capital remittances abroad. There are also different fiscal policies: (i) in some countries the same treatment is given to nationals as to foreigners; (ii) in some countries capital gains are not taxable; and (iii) in some countries interest income from some securities may not be taxable or may be taxable at lower rates.

Quantitative Trading. Quantitative trading strategies are highly complex and, for their successful application, require relatively sophisticated mathematical calculations and relatively complex computer programs. These trading strategies are dependent upon various computer and telecommunications technologies and upon adequate liquidity in the markets traded. The successful execution of these strategies could be severely compromised by, among other things, a diminution in the liquidity of the markets traded, telecommunications failures, power loss and software-related "system crashes." There are also periods when even an otherwise highly successful system incurs major losses due to external factors dominating the market, such as natural catastrophes and political interventions. Transaction costs incurred by quantitative trading strategies may be significant. In addition, the difference between the expected price of a trade and the price at which a trade is executed, or "slippage," may be significant and may result in losses.

Failure of Algorithms. The Adviser will utilize sophisticated computerized models to automatically determine and execute trade entry and exit conditions in certain cases and to manage risk. The Adviser makes efforts to test management and software releases to ensure that these algorithms operate correctly. However, it is possible that a defect in algorithm design or implementation or risk management could unexpectedly manifest and cause losses for the Funds or Managed Accounts.

Highly Volatile Markets. The prices of financial instruments in which the Funds and Managed Accounts may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Funds' and Managed Accounts' assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Funds and Managed Accounts are also subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouse.

Specialized, Speculative Investment Program. The specialized investment programs of the Funds and Managed Accounts involve investing in all types of securities, including, but not limited to, a wide variety of debt securities, equities and special situations, common and preferred stocks, options, futures, forwards, warrants, bonds, notes, bills, rights, commodities, participatory notes and derivatives. Many of the Funds' and Managed Accounts' investments may have limited liquidity. The Funds and Managed Accounts are designed to serve as part of an overall investment program for sophisticated investors willing and able to assume the capital risks inherent in non-investment grade securities. Generally, the governing documents for the Funds impose no limits on the types of securities or other instruments in which the Funds may take positions, the type of positions it may take or the concentration of the Fund's investments.

Availability and Accuracy of Information. Passport, as Adviser, will select investments for the Funds and Managed Accounts on the basis of information and data derived from research by Passport and, for public companies, filed by the issuers of such securities with the SEC or foreign exchanges or regulators. Although Passport intends to evaluate such information and data and to seek independent corroboration when Passport considers it appropriate and when it is reasonably available, Passport will not in many cases be in a position to confirm the completeness, genuineness, or accuracy of such information and data.

Availability of, and Ability to, Acquire Suitable Investments. While Passport believes that many attractive investments of the type in which the Funds and Managed Accounts may invest are currently available and can be identified, there can be no assurance that such investments will continue to be available or that available investments will meet the

Funds' or Managed Account's investment criteria. In addition, the Funds and Managed Accounts may be unable to find a sufficient number of attractive investment opportunities to meet their investment objective.

High Portfolio Turnover and Recognition of Gain. The Fund's or Managed Account's respective investment strategy may result in a short holding period before investments are rolled over into new investments or sold. This will cause the recognition of any investment gains on a more frequent basis than other investment strategies. Many of those gains will not likely qualify for the holding period needed for capital gains tax treatment. Therefore, U.S. taxable investors may have a greater need to pay regular taxes (out of their own resources or by requesting withdrawals) than compared to other investment strategies that hold investments longer.

Equity Securities. The Funds and Managed Accounts invest in equity securities, among other types of securities. The purchaser of an equity security typically receives an ownership interest in the company as well as certain voting rights. The owner of an equity security may participate in a company's success through the receipt of dividends, which are distributions of earnings by the company to its owners. Equity security owners may also participate in a company's success or lack of success through increases or decreases in the value of the company's shares as traded in the market for such shares. Equity securities generally take the form of common stock or preferred stock. Preferred stockholders typically receive greater dividends but may receive less appreciation than common stockholders and may have lesser or greater voting rights as well. Equity securities may also include convertible securities, warrants, or rights. Convertible securities typically are debt securities or preferred stocks, which are convertible into common stock after certain time periods or under certain circumstances. Warrants or rights give the holder the right to purchase a common stock at a given time for a specified price.

Small Company Risk. The Funds and Managed Accounts may invest in the securities of small or medium-sized companies that may be more susceptible to market downturns and have prices that are more volatile than those of larger companies. Smaller companies generally have narrower markets and more limited managerial and financial resources than larger established companies.

Risks Associated with Private Company Investments. Some of the Funds and Managed Accounts may from time to time invest in private company investments. Such investments involve an extraordinarily high degree of business and financial risk, can result in substantial or complete losses and may be investments of a longer investment duration. Some portfolio companies in which the Funds or Managed Accounts may invest may be operating at a loss or with substantial variations in operating results from period to period and may need substantial additional capital to support expansion or to achieve or maintain competitive positions. Such companies may face intense competition, including competition from companies with much greater financial resources, much more extensive development, production, marketing and service capabilities and a much larger number of qualified managerial and technical personnel. Such companies may also provide less information than might otherwise be available from a publicly held company, and the management of such portfolio company might also be less experienced than that which might be found at a publicly held company. In addition, risks may be increased with holding a private company due to the more illiquid nature of the asset and need to hold the investment for a longer period of time. Passport can offer no assurance that the marketing efforts of any particular portfolio company will be successful or that its business will succeed. Furthermore, Passport, as Adviser, will have the right at any time in its sole and absolute discretion and without notice to any investor, to modify, amend, renegotiate, extend, change or waive the terms of any private company investments the Funds or Managed Accounts make.

Preferred Stock. The Funds or Managed Accounts may invest in preferred stock which may have characteristics of both debt and equity securities. Dividend payments to preferred stockholders may be suspended or cancelled if the issuer experiences liquidity difficulties, and the principal paid for preferred stock is generally subordinate to the debt obligations of the issuer. Consequently, investments in preferred stock carry a significant risk of loss of principal.

Options. The Funds and Managed Accounts may invest in, or write, options. The purchaser of a put or call option runs the risk of losing the entire investment in a relatively short period of time. The writer of an uncovered call option is subject to a risk of loss should the price of the underlying security increase, and the writer of an uncovered put option is subject to a risk of loss should the price of the underlying security decrease.

Swaps and Derivatives. The Funds and Managed Accounts will enter into swaps with financial intermediaries from time to time as part of its investment activities. A swap is an agreement between two parties whereby cash payments periodically are exchanged based upon changes in the price of an underlying asset (such as an equity security, an index of securities or another asset or group of assets with a readily determinable value). For example, an interest rate swap involves one party agreeing to make periodic payments to the first party that vary with the prime rate or another variable interest rate indicator. Swaps and other derivatives are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and creditworthiness of the swap counterparty. Swaps and other forms of derivative instruments are not guaranteed by an exchange or clearing house or regulated by any U.S. or foreign government authority. It may not be possible to dispose of or close out a swap or other derivative position without the consent of the counterparty, and the Funds or Managed

Accounts may not be able to enter into an offsetting contract in order to be able to cover its risk. In addition, in valuing derivative instruments it is anticipated that the Funds or Managed Accounts will typically rely on quotes or other information provided by such counterparties.

Currencies. The Funds and Managed Accounts may invest a portion or most of their assets in equity and debt securities denominated in currencies other than the U.S. dollar as well as in other financial instruments, the price of which is determined with reference to currencies other than the U.S. dollar. However, the Funds and Managed Accounts value their securities and other assets in U.S. dollars. To the extent unhedged, the value of a Fund's or Managed Account's assets will fluctuate with the exchange rate between the U.S. dollar and other currencies, as well as with price changes of the respective Fund's or Managed Account's investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to other currencies in which a Fund or Managed Account makes its investments will reduce the effect of increases and magnify the effect of decreases in the prices of such Fund's or Managed Account's securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect of magnifying the effects of increases and reducing the effects of decreases in the prices of the Fund's or Managed Account's non-U.S. dollar securities.

Forward Currency Contracts. The Funds and Managed Accounts will, primarily for the purposes of hedging against currency fluctuations to which such Fund or Managed Account may be subject, invest in forward currency contracts from time to time, but there can be no assurance that such hedging transactions will be effective. A Fund or Managed Account may also use currency contracts as part of trading strategies intended to take advantage of price differentials between currencies or fluctuations in currency prices. Forward currency contracts may not be liquid in all circumstances so that, in volatile markets, to the extent a Fund or Managed Account wishes to do so, it may not be able to close out a position by taking another position equal and opposite to such position on a timely basis or without incurring a sizable loss. Closing transactions with respect to forward currency contracts usually are effected with the currency trader who is a party to the original forward contract and generally require the consent of such trader. There can be no assurance that a Fund or Managed Account will be able to close out its forward currency contracts. There are no limitations on daily price moves in forward contracts. Banks and futures commissions merchants with whom a Fund or Managed Account may maintain accounts that require such Fund or Managed Account to deposit margin with respect to such trading. Banks are not required to continue to make markets in forward contracts. There have been periods during which certain banks have refused to quote prices for such forward contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Trading of forward contracts through banks is not regulated by any U.S. government agency. Funds or Managed Accounts investing in foreign currency contracts will be subject to the risk of bank failure and the inability of, or refusal by, a bank to perform with respect to such contracts.

Interest Rates. The value of some or all of the Funds' or Managed Accounts' investments may change in response to movements in interest rates. The market value of debt securities that are interest rate-sensitive is inversely related to changes in interest rates. That is, an interest rate decline produces an increase in a security's market value and an interest rate increase produces a decrease in value. The longer the remaining maturity of a security, the greater is the effect of interest rate changes. Changes in the ability of an issuer to make payments of interest and principal and in the market's perception of its creditworthiness also affect the market value of that issuer's debt securities.

In addition, a decline in interest rates could reduce the amount of current income a Fund or Managed Account is able to achieve from interest on certain debt, including floating rate debt. To the extent that the cash flow from a fixed income security is known in advance, the present value (i.e., discounted value) of that cash flow decreases as interest rates increase; to the extent that the cash flow is contingent, the dollar value of the payment may be linked to then prevailing interest rates. Moreover, the value of many fixed income securities depends on the shape of the yield curve, not just on a single interest rate. Thus, for example, a callable cash flow, the coupons of which depend on a short rate such as three-month LIBOR, may shorten (i.e., be called away) if the long rate decreases. In this way, such securities are exposed to the difference between long rates and short rates. A Fund or Managed Account may also invest in floating rate securities. The value of these investments is closely tied to the absolute levels of such rates, or the market's perception of anticipated changes in those rates. This introduces additional risk factors related to the movements in specific interest rates that may be difficult or impossible to hedge and that also interact in a complex fashion with prepayment risks.

Short Sales. The Funds and Managed Accounts will engage in "short sale" transactions from time to time and may have a substantial number of short positions when a portfolio managers' market view or security-specific views indicate such positioning may be appropriate. A short sale involves the sale of a security that the Fund or Managed Account does not own in the hope of purchasing the same security (or a security exchangeable therefore) at a later date at a lower price. Short selling allows an investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities can result in a loss. Short sales of securities and financial instruments can, in certain circumstances, substantially increase the impact of adverse price movements on a Fund's or Managed Account's investments.

A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in the inability of the respective Fund or Managed Account to cover the short position, and of theoretically unlimited potential for loss to such Fund or Managed Account. There can be no assurance that securities necessary to cover a short position would be available for purchase by a Fund or Managed Account.

Bonds and Mortgage-Backed Securities ("MBS"). The Fund or Managed Account may invest in bonds or other fixed income securities, including commercial paper, "higher yielding" (and therefore, higher risk) debt securities, or convertible bonds when the Adviser believes that such securities offer opportunities for capital growth. Such securities may be below "investment grade" and face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments. The market values of lower-rated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities often are highly leveraged and may not have available to them more traditional methods of financing. A major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities. Investments in asset-backed securities or convertible bonds may be based on assumptions regarding pre-payment rates, default rates, behavior of borrowers, behavior of lenders, securities structure, quality of loans, quality of securities, and other factors which may be inaccurate or may not come to pass. Certain MBS and other securities that the Adviser may recommend for its Clients, may be considered illiquid because of the absence of a readily available market. The absence of a trading market can make it difficult to ascertain a market value for such securities. At any particular time it may not be possible to dispose of such securities promptly or at an acceptable price. In general such securities are subject to: (i) interest rate risk—the risk that a debt security will generally decrease in value as interest rates rise, (ii) market risk—the risk that the market value of the investment will decline, (iii) credit risk—the risk that the obligor will default on its obligations, (iv) liquidity risk—the risk that the instrument will not be readily marketable, and (v) valuation risk—the risk that because the instrument is thinly traded, it may have only one pricing source.

Fixed Income Securities. The Funds or Managed Accounts may invest a portion of their capital in bonds or other fixed income securities, including, without limitation, bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. Government or one of its agencies or instrumentalities; foreign sovereign debt, commercial paper; and "higher yielding" (and, therefore, higher risk) debt securities of the former categories. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). It is likely that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Leverage. The Funds and Managed Accounts may borrow from banks and other financial institutions in order to enhance their investment leverage. The Funds and Managed Accounts may also engage in other investment strategies (such as options and derivatives) that may result in leveraging the assets of the Fund or Managed Account. Loans may be secured by assets of the Fund or Managed Account pledged to lenders. Leveraging by means of borrowing may exaggerate the effect of any increase or decrease in the value of the assets of the Fund or Managed Account and money borrowed will be subject to interest and other costs (which may include commitment fees and/or the cost of maintaining minimum average balances), which may or may not exceed the income received from the instruments purchased with borrowed funds. The use of margin accounts by the Funds or Managed Accounts in connection with their portfolio transactions is also a form of leverage. Similarly, certain investment strategies involving the use of derivatives may have the effect of creating a leveraged transaction. Any such leverage will increase the risk of an investment in a Fund or Managed Account, but it also offers the potential for higher returns.

Hedging Transactions. The Funds and Managed Accounts may utilize financial instruments such as forward contracts, options, futures, ETFs, and swaps for hedging purposes or as part of its trading strategies. Hedging techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the instrument and the value of the Client securities or other objective of the Adviser; (ii) possible lack of a secondary market for closing out a position in such instrument; (iii) losses resulting from interest rate, spread or other market movements not anticipated by the Adviser; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the Fund's position; and (v) default or refusal to perform on the part of the counterparty with which the Client trades. Furthermore, to the extent that any hedging strategy involves the use of over-the-counter derivatives transactions, such a strategy would be affected by implementation of the various regulations adopted pursuant to Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"). Hedging may mitigate losses, but does not eliminate the risk of loss and may limit opportunities for gain. The success of the Funds' and Managed Accounts' hedging transactions is subject to the movements of securities prices and currency and interest rates. The degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position may vary. The Adviser may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund or Managed Account from achieving the intended hedge or expose the Fund or Managed Account to risk of loss.

Credit Default Swaps. The Funds and Managed Accounts may invest in, buy or sell, or obtain exposure to credit default swap agreements. A credit default swap is a derivatives contract under which one party pays a fixed amount on a periodic basis in exchange for the payment by the other party of an amount equal to the depreciation in the value of the reference security upon the occurrence of the bankruptcy or certain other event with respect to the issuer of such reference security. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic, stream of payments over the term of the contract provided no event of default has occurred. In the event of default, the seller must pay the buyer the "par value" (full notional value) of the reference obligation in exchange for the reference obligation. The Funds and Managed Accounts may be either the buyer or seller in the transaction. If a Fund or Managed Account is a buyer and no event of default occurs, the Fund or Managed Account, as applicable, loses its investment and recovers nothing. However, if an event of default occurs, the buyer receives full notional value for a reference obligation that may have little or no value. As a seller, the Fund or Managed Account receives a fixed rate of income throughout the term of the contract, provided there is no default event. If an event of default occurs, the seller may pay the notional value of the reference obligation. The value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value to the Fund or Managed Account. Credit default swaps involve greater risks than if the Fund or Managed Account had invested in the reference obligation directly. In addition to general market risks, credit default swaps are subject to illiquidity risk, counterparty risk, and credit risks. The swap counterparties with which the Fund or Managed Account does business may encounter financial difficulties, fail, or otherwise become unable to meet their obligations. Any such development would impair the operational capabilities of a Fund or Managed Account or cause damaging losses, or even complete loss, of the capital of the affected portfolio.

Futures Contracts and Options on Futures Contracts. The Funds and Managed Accounts may enter into futures contracts that relate to securities in which it may directly invest and indices comprised of such securities and may purchase and write call and put options on such contracts. The Funds and Managed Accounts may also purchase futures and options if cheaper than the underlying stocks or bonds.

A financial futures contract is a contract to buy or sell a specified quantity of financial instruments such as U.S. Treasury bills, notes and bonds, commercial paper and bank certificates of deposit or the cash value of a financial instrument index at a specified future date at a price agreed upon when the contract is made. Under such contracts no delivery of the actual securities making up the index takes place. Rather, upon expiration of the contract, settlement is made by exchanging cash in an amount equal to the difference between the contract price and the closing price of the index at expiration, net of variation margin previously paid.

A stock index futures contract is a contract to buy or sell specified units of a stock index at a specified future date at a price agreed upon when the contract is made. The value of a unit is based on the current value of the contract index. Under such contracts no delivery of the actual stocks making up the index takes place. Rather, upon expiration of the contract, settlement is made by exchanging cash in an amount equal to the difference between the contract price and the closing price of the index at expiration, net of variation margin previously paid.

Substantially all futures contracts are closed out before settlement date or called for cash settlement. A futures contract is closed out by buying or selling an identical offsetting futures contract. Upon entering into a futures contract, the Fund or Managed Account is required to deposit an initial margin with the custodian for the benefit of the futures broker. The initial margin serves as a “good faith” deposit that the Fund or Managed Account will honor its futures commitments. Subsequent payments (called “variation margin”) to and from the broker are made on a daily basis as the price of the underlying investment fluctuates.

The Fund or Managed Account transactions in options, futures, options on futures and equity swaps, if any, involve additional risk of loss. Loss can result from a lack of correlation between changes in the value of derivative instruments and the portfolio assets being hedged (if any), the potential liquidity of the markets for derivative instruments, or the risks arising from margin requirements and related leverage factors associated with such transactions. The use of these management techniques also involves the risk of loss if the Adviser is incorrect in its expectation of fluctuations in securities prices, interest rates or currency prices.

The Funds and Managed Accounts may also buy and sell put and call options on futures contracts. These options give the Fund or Managed Account the right (but not the obligation), for a specified price, to sell or purchase, as the case may be, the underlying futures contracts at any time during the option period. The Fund or Managed Account may terminate its position in an option contract by selling or purchasing, as the case may be, an offsetting option in the same series. There is no guarantee that such a closing transaction can be effected. The Fund or Managed Account's ability to establish and close out positions on such options is dependent upon a liquid market. Loss from investing in options on futures is potentially unlimited.

Unlike trading on U.S. commodity exchanges, trading on non-U.S. commodity exchanges is not regulated by the United States Commodity Futures Trading Commission (the "CFTC") and may be subject to greater risks than trading on U.S. exchanges. For example, some non-U.S. exchanges are "principals" markets in which no common clearing facility exists and a trader may look only to the broker for performance of the contract. In addition, unless the Fund or Managed Account hedges against fluctuations in the exchange rate between the U.S. Dollar (in which interests in the Funds and Managed Accounts are denominated) and other currencies in which trading is done on non-U.S. exchanges, any profits that the Fund or Managed Account might realize in trading could be reduced or eliminated by adverse changes in the exchange rate, or the Funds and Managed Accounts could incur losses as a result of those changes.

1. *Speculative and Volatile.* Futures contracts prices are highly volatile. Such volatility may lead to substantial risks and returns, generally much larger than in the case of equity or fixed-income investments. Price movements of futures contracts are influenced by, among other things, changing supply and demand relationships; government trade, fiscal, monetary and exchange programs and policies; national and international political and economic events; and changes in interest rates. In addition, governments from time to time intervene, directly and by regulation in certain markets, particularly in currencies and gold. Such intervention is often intended to influence price directly. None of these factors can be controlled by the Adviser and no assurances can be given that advice will result in profitable trades for the Funds and Managed Accounts or that the Funds and Managed Accounts will not incur substantial losses.

2. *Highly Leveraged.* The Funds and Managed Accounts may trade futures on a leveraged basis due to the low margin deposits required for trading. The low margin deposits normally required in futures trading permit an extremely high degree of leverage; margin requirements for futures trading being in some cases as little as 2% of the face value of the contracts traded. For example, if at the time of

sale 10% of the price of the futures contract is deposited as margin, a 10% decrease in the price of the futures contract would, if the contract was then closed out, result in a total loss of the margin deposit before any deduction for the trading commission. A decrease of more than 10% would result in a loss of more than the total margin deposit. Accordingly, a relatively small price movement in a futures contract may result in immediate and substantial loss to the Funds and Managed Accounts. Like other leveraged investments, any trade may result in losses in excess of the amount invested.

3. Illiquidity. Futures trading at times may be illiquid. Certain U.S. commodity exchanges impose "daily limits" on the amount by which the price of most futures contracts traded on such exchanges may vary during a single day. Daily limits prevent trades from being executed during a given trading day at a price above or below the daily limit. Once the price of a futures contract has moved to the limit price, it may be difficult, costly or impossible to liquidate a position. Such limits could prevent the Adviser from promptly liquidating unfavorable positions and restrict its ability to exercise or offset commodity options held in the Funds' and Managed Accounts' portfolios, subjecting the Funds and Managed Accounts to substantial losses. In addition, even if futures prices have not moved the daily limit, the Adviser may be unable to execute trades at favorable prices if the liquidity the market is not adequate. Daily limits have been applicable to bond futures for some time and have recently been imposed on stock index futures. It is also possible for an exchange or the CFTC to suspend trading in a particular contract, order immediate settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only.

4. *Position limits.* The CFTC and the U.S. commodities exchanges have established limits referred to as "speculative position limits" on the number of futures positions and the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contracts traded on U.S. commodities exchanges. All accounts (proprietary or client) owned or managed by the Adviser will be combined for position limit purposes. In addition, for purposes of complying with speculative position limits, the Funds' and Managed Accounts' outright futures positions will be required to be aggregated with any futures positions owned or controlled by the Adviser or any principal of the Adviser. The Adviser may be unable to take positions in particular futures or could be required to liquidate positions held for the Funds and Managed Accounts in order to comply with such limits. Any such liquidation could result in substantial costs to the Funds and Managed Accounts.

Commodity Options. The Funds and Managed Accounts may purchase or sell commodity options. An option on a futures contract or on a commodity gives the buyer of the option the right, but not the obligation, to take a position at the exercise price in the underlying futures contract or commodity. The buyer of a call option acquires the right to a long position in the underlying futures contract or commodity, and the buyer of a put option acquires the right to take a short position in the underlying futures contract or commodity.

The cost of acquiring a commodity option is its premium. The writer (or seller) of an option on futures is obligated to take a futures position at a specified price opposite to the option buyer if the option is exercised. Thus, the writer of a call option must stand ready to take a short position in the underlying futures contract at the strike price if the buyer should exercise the option. The writer of a put option, on the other hand, must stand ready to take a long position in the underlying futures contract at the strike price.

Writing Options Creates Additional Risks. The writer of a call option who does not have a long position in the underlying futures contract or physical commodity is subject to risk of loss should the price of the futures contract or commodity be higher than the strike price prior to expiration of the option by an amount greater than the premium received for writing the option. The writer of a call option who has a long position in the underlying futures contract or physical commodity is subject to the full risk of a decline in price of the futures contract or commodity reduced by the premium received for granting the option. In exchange for the premium received for writing a call option, the option writer gives up all of the potential gain resulting from an increase in the price of the underlying futures contract or commodity above the strike price prior to expiration of the option.

The writer of a put option who does not have a short position in the underlying futures contract or physical commodity (e.g., commitment to sell the physical) is subject to risk of loss should the price of the futures contract or commodity decrease below the strike price prior to expiration of the option by an amount in excess of the premium received for writing the option. The writer of a put option on a futures contract who has a short position in the underlying futures contract is subject to the full risk of a rise in the price in the futures contract reduced by the premium received for writing the option. In exchange for the premium received for writing a put option on a futures contract, the option writer gives up all of the potential gain resulting from a decrease in the price of the futures contract below the strike price prior to expiration of the option. The writer of a put option on a physical commodity is subject to the full risk of a decline in the price of the physical commodity which must be obtained to fulfill the commitment reduced by the premium received for writing the option. In exchange for the premium, the writer of a put option on a physical commodity gives up all the potential gain which would have resulted from a decrease in the price of the commodity below the strike price prior to expiration of the option.

The use of stock index futures contracts as a hedging device involves several risks. No assurance can be given that a correlation will exist between price movements in the stock index and price movements in the securities that are the subject of a hedge.

Furthermore, positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange, and no secondary market exists for those contracts. In addition, although the Funds and Managed Accounts expect to enter into futures contracts only if an active market exists for such contracts, no assurance can be given that an active market will exist for such contracts at any particular time. Certain exchanges do not permit trading in particular contracts at prices that represent a fluctuation in price during a single day's trading beyond a certain set limit. If prices fluctuate during a single day's trading beyond those limits, a Fund or Managed Account could be prevented from promptly liquidating unfavorable positions and thus be subject to losses.

Derivatives. The Funds and Managed Accounts may also invest in derivatives, which generally include complex derivative instruments that seek to modify or replace the investment performance of particular securities, commodities, currencies, interest rates, indices or markets on a leveraged or unleveraged basis. These instruments generally have counterparty risk and may not perform in the manner expected by the counterparties, thereby resulting in greater loss or gain to the Funds and Managed Accounts. These investments are all subject to additional risks that can result in a loss of all or part of an investment—in particular, interest rate and credit risk volatility, world and local market price and demand, and general economic factors and activity. Derivatives may have very high leverage embedded in them that can substantially magnify market movements and result in losses greater than the amount of the investment. Some of the markets in which the Funds and Managed Accounts effect derivative transactions are over-the-counter or interdealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of exchange-based markets. This exposes the Funds and Managed Accounts to the risks that a counterparty will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the contract. Although the Funds and Managed Accounts will attempt to limit their derivative transactions to well-known and well-capitalized firms, the Funds and Managed Accounts are not restricted from dealing with any particular counterparty or from concentrating all of its transactions with one counterparty.

Derivatives are Difficult to Value. Derivative instruments may be difficult to value accurately. Any mis-valuation could adversely affect the Funds and Managed Accounts and the Investors.

Participatory Notes. Participatory notes ("P-Notes") are instruments typically utilized by investors to obtain exposure to an equity investment, including common stocks and warrants, in a local market where direct investment in such company's equity is not allowed by local law or regulation. In countries such as Saudi Arabia, an investor may gain exposure to the market through a P-Note, which derives its value from a group of underlying equity securities. A P-Note is intended (disregarding the effect of any fees and expenses) to reflect the performance of the underlying equity securities on a one-to-one basis so that investors will not normally (i) gain more in absolute terms than they would have made had they invested in the underlying securities directly or (ii) lose more than they would have lost had they invested in the underlying securities directly.

P-Notes also provide a less expensive option to direct investment by reducing registration and transaction costs in acquiring and selling local registered shares. The Adviser believes that P-Notes can offer greater liquidity in markets that restrict the ability of the Partnership to dispose of an investment by either restricting transactions by size or requiring registration and/or regulatory approvals.

P-Notes are generally structured and sold by a local branch of a bank or broker-dealer that is permitted to purchase equity securities in the local market. Pursuant to the terms of the instrument, the Funds and Managed Accounts may tender a P-Note for cash payment in an amount that reflects the current market value of the underlying investments, less program expenses, such as trading costs, taxes and duties.

P-Notes represent unsecured, unsubordinated contractual rights of the issuer and do not confer any right, title or interest in respect to the underlying equity securities or provide rights against the issuer of the underlying securities. For this reason, in addition to the risks normally associated with a direct investment in the underlying securities, P-Notes are subject to counterparty risk if the issuer of the P-Note is unable or refuses to perform under the terms of the P-Note. While the holder of a P-Note is entitled to receive from the bank or broker-dealer any dividends or other distributions paid on the underlying securities, the holder is not entitled to the same rights as an owner of the underlying securities, such as voting rights. P-Notes are also not traded on exchanges, are privately issued, and may be illiquid. There can be no assurance that the trading price or value of P-Notes will equal the value of the underlying value of the equity securities they seek to replicate.

Physical Commodities. The pooled investment vehicles and Managed Accounts may invest in physical commodities such as gold and other precious metals. As such, the pooled investment vehicles and Managed Accounts may be subject to the special risks associated with investing in gold and other precious metals, including (i) the price of gold or other precious metals may be subject to wide fluctuation; (ii) the market for gold or other precious metals is relatively limited; (iii) the sources of gold or other precious metals are concentrated in countries that have the potential for instability; and (iv) the market for gold and other precious metals is unregulated.

Gold bullion and other precious metals have at times been subject to substantial price fluctuations over short periods of time and may be affected by unpredictable monetary and political policies such as currency devaluations or revaluations, economic and social conditions within a country, trade imbalances, or trade or currency restrictions between countries. The prices of gold bullion and other precious metals, however, are less subject to local and company-specific factors than securities of individual companies.

As a result, gold bullion and other precious metals may be more or less volatile in price than securities of companies engaged in precious metals-related businesses. Investments in gold bullion and other precious metals can present concerns such as delivery, storage and maintenance, possible illiquidity, and the unavailability of accurate market valuations. A pooled investment vehicles or Managed Account may incur higher custody and transaction costs for gold bullion and other precious metals than for securities. Also, gold bullion and other precious metals investments do not pay income.

The majority of producers of gold bullion and other precious metals are domiciled in a limited number of countries. In 2015, the five largest producers of gold are China, Australia, Russia, the United States, and Peru. Economic and political conditions in those countries may have a direct effect on the production and marketing of gold and on sales of central bank gold holdings.

While any gold bullion (or other precious metals) held by the pooled investment vehicles and Managed Accounts would be kept with a qualified custodian, the physical nature of such assets mean that they would be subject to a greater risk of loss or theft than other securities or instruments which are evidenced by written contract or book entry on the custodian's systems.

Unusual Securities Creations. The Adviser may cause a Fund(s) or Managed Account(s) to invest in unusual securities created for particular purposes that are not of a type typically traded in the securities markets. Examples of such securities include, but are not limited to, publicly traded limited liability companies, contingent payment rights, and securities whose value is contingent upon the occurrence of a series of events. There may be no liquid market for such securities. The market prices, if any, of such investments tend to be more volatile and it may be impossible to sell such investments when desired or to realize their fair value in the event of a sale. Moreover, securities in which the Fund or Managed Account may invest include those that are not listed on a stock exchange or traded in an over-the-counter market. As a result of the absence of a public trading market for these securities, they may be less liquid than publicly traded securities. There may be substantial delays in attempting to sell non-publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid. Further, companies whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements which would be applicable if their securities were publicly traded.

Control Positions. Although the Funds and Managed Accounts do not do so on a regular basis, or as a typical investment technique, the Funds and/or Managed Accounts may from time to time, to the extent permitted pursuant to the terms of their PPMs and IMAs, obtain a control position or other substantial position in any public or private company. Should the Funds and/or Managed Accounts obtain such a position, the Funds and/or Managed Accounts may be required to make filings with the SEC or other foreign regulators, and the Funds and/or Managed Accounts may become subject to other regulatory restrictions that could limit the ability of the Funds and/or Managed Accounts to dispose of their holdings at the times and in the manner they would prefer. Violations of these regulatory requirements could subject the Funds and Managed Accounts to significant liabilities. Obtaining a control or substantial position may cause the Adviser or it representatives to have to become active in the management of such company(s).

Representation on Boards of Directors. The Funds and/or Managed Accounts may seek to designate a director to serve on the board of directors of the companies in which they invest. Such director may be a principal, employee, member, manager or other affiliate of the Adviser. The designation of directors could expose the assets of the Funds or Managed Accounts to claims by such companies, their security holders and their creditors. While the Adviser intends to manage the Funds and Managed Accounts to minimize exposure to these risks, the possibility of successful claims against the Funds and Managed Accounts cannot be precluded.

Default and Counterparty Risk. Some of the markets in which the Funds and Managed Accounts will effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. This exposes the Funds and Managed Accounts to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Funds and Managed Accounts to suffer a loss. In addition, in the case of a default, the Funds and Managed Accounts could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund or Managed Account has concentrated its transactions with a single or small group of counterparties. While Passport has a Counterparty Risk Committee that evaluates the creditworthiness of counterparties, there can be no assurance as to the stability of any counterparty at any time. The ability of a Fund or Managed Account to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds and Managed Accounts.

Sovereign Debt. The Funds and Managed Accounts may invest in debt securities issued by governments and their agencies, including governments of emerging markets. Investing in instruments of government issuers in emerging markets may involve significant economic and political risks. Holders of certain emerging market instruments may be requested to participate in the restructuring and rescheduling of these obligations and to extend further loans to their issuers. The interests of holders of emerging market instruments could be adversely affected in the course of restructuring arrangements. Sovereign debt rated below investment grade by a nationally recognized bond rating organization is regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations.

Loans. The Funds and Managed Accounts may invest in loans. Loans may include fixed or floating rate loans arranged through private negotiations between one or more financial institutions and an obligor. Although loans are traded among certain financial institutions, some of the loans the Funds and Managed Accounts may invest in may be illiquid.

Loan Participation. The Funds and Managed Accounts may invest in loan participations. Investment in loan participations involves certain risks in addition to those associated with direct loans. A loan participant has no contractual relationship with the borrower of the underlying loan. As a result, the participant is generally dependent upon the lender to enforce its rights and obligations under the loan agreement in the event of a default and may not have the right to object to amendments or modifications of the terms of such loan agreement. A participant in a syndicated loan generally does not have the voting rights, which are retained by the lender. In addition, a loan participant is subject to the credit risk of the lender as well as the borrower, since a loan participant is dependent upon the lender to pay its percentage of payments of principal and interest received on the underlying loan. The Funds and Managed Accounts will acquire participations only if the seller of the participation is determined in the judgment of the Adviser to be creditworthy.

Illiquid Assets. Certain investment positions of the Funds and Managed Accounts may be illiquid or not readily marketable. The Funds and Managed Accounts may invest in "restricted" or non-publicly traded securities and will invest in securities traded on foreign exchanges. The Funds and Managed Accounts may take significant stakes in small-cap or thinly traded companies. The Funds and Managed Accounts may not be readily able to dispose of such non-publicly traded and illiquid or not readily marketable public securities and, in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. An exchange or regulatory authority may suspend trading in a particular security or contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. In the Adviser's discretion, the Funds and Managed Accounts may effect in kind distributions with respect to such illiquid, not readily marketable or non-publicly traded securities. Investors that receive in kind distributions may not be able to dispose of such securities for an indefinite period of time.

Limited Liquidity. An investment in the pooled investment vehicles and Managed Accounts advised by Passport is suitable only for sophisticated investors who have no need for liquidity in their investment. An investment in the pooled investment vehicles or Managed Accounts provides limited liquidity. Interests in the pooled investment vehicles are not freely transferable and withdrawals and redemptions are subject to applicable lock-ups and other restrictions such as notice requirements and specified dates when withdrawals and redemptions are permitted. Withdrawal and redemption proceeds may be paid in-kind, in a form that may be illiquid, not easily disposable or readily marketable for an extended period of time. Withdrawals and redemptions are also subject to the withdrawal and redemption limits, suspension of withdrawals and redemptions and other restrictions described in the PPMs and IMAs.

Institutional Risk and Custodial Risk. The institutions, including brokerage firms and banks, with which the Funds and Managed Accounts do business, or to which securities have been entrusted for custodial and prime brokerage purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the Funds or Managed Accounts. There is a risk that any of such counterparties could become insolvent. Brokers may trade with an exchange as a principal on behalf of a Fund or Managed Account, in a "debtor-creditor" relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could, therefore, have title to all of the assets of a Fund or Managed Account (e.g., the transactions that the broker has entered into on behalf of a Fund or Managed Account as principal as well as the margin payments which such Fund and/or Managed Account provides). The insolvency of a Fund's or Managed Account's counterparties is likely to impair the operational capabilities or the assets of such Fund and Managed Account, as applicable. Although Passport will monitor the Funds' and Managed Accounts' exposure to their respective counterparties, if one or more of a Fund's or Managed Account's counterparties were to become insolvent or the subject of liquidation proceedings in the United States (either under the Securities Investor Protection Act or the United States Bankruptcy Code) or elsewhere, there exists the risk that the recovery of such Fund's or Managed Account's securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

Possible Effects of Withdrawals and Redemptions. Substantial withdrawals or redemptions could require a Fund or Managed Account to liquidate investments more rapidly than would otherwise be desirable to raise the necessary cash to fund the withdrawals or redemptions and to achieve a market position appropriately reflecting a smaller equity base. Applicable withdrawal or redemption limits are intended to mitigate this risk, but will not eliminate it. This situation could adversely affect the value of interests in the Funds and Managed Accounts.

Incentive Allocation or Performance-Based Fee. The allocation to the Adviser or its affiliates of a percentage of each investor's net capital appreciation for a fiscal year, or the payment to the Adviser of a Performance-Based Fee, may create an incentive for the Adviser to cause the pooled investment vehicles or Managed Accounts to make investments that are riskier or more speculative than would be the case if this special allocation or payment of performance fees were not made. In addition, since the Adviser or its affiliate's incentive allocation and performance fees are calculated on a basis which includes unrealized appreciation of the pooled investment vehicle's or Managed Account's assets, such allocations and fees may be greater than if it were based solely on realized gains. The incentive allocation made and performance-based fees paid by the Clients to the Adviser or its affiliate were set by the Adviser or its affiliates without negotiations with any third party.

Valuation of the Fund's or Managed Account's Assets. The Adviser has delegated to an administrator (the "Administrator") the determination of the net asset value of the Funds (with the exception of Passport Ventures, LLC) and Managed Accounts. In determining the net asset value, the Administrator will follow the valuation policies and procedures adopted by the Adviser. If and to the extent that the Adviser or its affiliates are responsible for or otherwise involved in the pricing of any of the Funds' or Managed Accounts' portfolio securities or other assets, the Administrator may accept, use and rely on such prices in determining the net asset value of the Fund or Managed Account and shall not be liable to the Fund or Managed Account or any investor, or the Adviser, or any other person in so doing. Since the Funds and Managed Accounts may hold a significant portion of their assets in a form of illiquid, not readily marketable or non-publicly traded securities, the value assigned to such securities by the Adviser or its affiliates and/or the Administrator may materially differ from the actual value received for such securities upon a happening of a liquidation event with respect to such securities.

Suspension of Withdrawals and Redemptions. As more particularly described in the PPMs and IMAs, the Adviser or its affiliates generally may suspend the right of any investor to withdraw capital or to receive a distribution from a pooled investment vehicle or Managed Account if, in the Adviser's judgment, such a suspension would be in the best interests of such Client.

Reliance on Technology and Electronic Trading. The Adviser relies heavily on computer hardware and software, online services and other computer-related or electronic technology and equipment to facilitate the investment activities of its Clients. Specifically, the Adviser may trade financial instruments through electronic trading or order routing systems, which differ from traditional open outcry pit trading and manual order routing methods. Such electronic trading exposes the Clients to risks associated with system or component failure, which could render the Adviser unable to enter new orders, execute existing orders or modify or cancel previously entered orders. System or component failure may also result in loss of orders or order priority. Should events beyond the Adviser's control cause a disruption in the operation of any technology or equipment, the investment program of the Clients may be severely impaired, causing it to experience substantial losses or other adverse effects.

A disaster or a disruption in the infrastructure that supports the Adviser's business, including a disruption involving electronic communications or other services used by it or third parties with whom it conducts business, or directly affecting one of its offices or facilities, may have a material adverse effect on its ability to continue to operate the business without interruption. Although the Adviser has a business continuity program in place, there can be no assurance that this will be sufficient to mitigate the harm that may result from such a disaster or infrastructure disruption. In addition, insurance and other safeguards might only partially mitigate the effects of such a disaster or disruption.

Cybersecurity Risk. The Adviser's hardware and software systems are subject to threats from hackers and others, such as a malicious attack, malware or other event that leads to unanticipated interruption or malfunction of such systems. Any interruption of the Adviser's hardware or software functionality could lead to material or even complete losses to a Client. Hackers could also theoretically access and steal the Adviser's research, models, trading programs or other software or data and implement such programs or software on their own behalf. This could lead to increased competition for, or elimination of, the investment opportunities sought by any of the Clients or otherwise render the models developed by the Adviser obsolete, possibly resulting in material or complete losses to a Client.

Conflicts Associated with the Adviser's or its Affiliates' Other Activities. The Adviser and/or its affiliates may also elect in the future to sponsor, manage or participate in other securities investment activities and programs unrelated to the Funds and Managed Accounts (some of which may compete with the Funds and Managed Accounts' investment activities). The Adviser and/or its affiliates may also engage in business ventures unrelated to the activities of the Funds and Managed Accounts and business opportunities that relate to, or which they became aware of because of, investments made by a Fund(s) or Managed Account(s) but which opportunities are deemed by the Adviser not to be suitable for the Fund's or Managed Account's portfolio. Investors in the Funds and Managed Accounts will have no right to participate in such activities of the Adviser or its affiliates and will have no right to participate in any profits generated from such activities. The Adviser may in certain circumstances enter into agreements with companies owned by, or affiliated with, the Adviser or its principals, the expenses of which are borne by the Funds or the Managed Accounts. The Adviser will enter into such arrangements only if it determines that such arrangements are made on arm's length and the fees to be paid are reasonable in relation to similar services available in the marketplace. In particular, the Adviser has entered into an agreement with DeMARK Analytics, a data analytics provider that is less than 25% owned by John Burbank. The Adviser uses soft dollars generated by the trading of the Funds and Managed Accounts to pay DeMARK's fees. While the Adviser has determined that the DeMARK arrangement is on arm's length, and that the fees payable to DeMARK are reasonable, Mr. Burbank's ownership of DeMARK creates a conflict in that he has an incentive to cause the Adviser to maintain such arrangement for his own personal benefit. The Adviser's or it affiliates' judgment may be affected by the conflicts of interests inherent in such relationships and activities. Examples of these conflicts include:

1. **Competing Time Pressures.** The other activities of the Adviser and its affiliates will create conflicts of interest with the Funds and Managed Accounts over the time devoted to managing the portfolios of the Funds and Managed Accounts versus the time devoted to other activities.
2. **Conflicting Fiduciary Duties.** Because the Adviser and its affiliates may have fiduciary duties to a Fund or Managed Account and to other clients, the interests of a Fund or Managed Account and the other clients in the selection, allocation, negotiation and administration of investments may conflict, and the Adviser and its affiliates will be subject to conflicting demands on their time and attention. The Adviser and its affiliates will attempt to resolve all such conflicts in a manner that is fair to all such interests.

Allocation of Investment Opportunities. The Adviser on behalf of the Funds and Managed Accounts, and in other capacities with other entities or for its own accounts, will have discretion in determining which investments will be made by the Funds, Managed Accounts or other clients, sold to others, or made by the Adviser or their affiliates with or without the participation of the Funds or Managed Accounts. In addition, the Adviser may be able to obtain more favorable compensation, cost reimbursement or risk-sharing arrangements in connection with some investments if a Fund or Managed Account does not participate and the Adviser or its affiliates may be influenced to refrain from causing a Fund or Managed Account to make such investments even though participation might benefit such Fund or Managed Account. Under the governing documents of a Fund or Managed Account (which investors and potential investors should carefully review) the Adviser or its affiliates may be permitted to make any investments, whether or not in competition with a Fund or Managed Account or in a manner that would limit or eliminate such Fund's or Managed Account's opportunity to make the investment, without any accountability to such Fund or Managed Account.

When two or more share classes of a Fund(s) or Managed Account seek to purchase the same securities, the securities actually purchased or sold will be allocated among the share classes on a good faith equitable basis by the Adviser or its affiliates in their sole discretion in accordance with the respective investment objectives and policies of each share class, including any special investment policies of a particular share class, and the procedures adopted by the Adviser.

Industry-Specific Risks of Agricultural Companies. Certain of the Funds and Managed Accounts may invest in companies operating in the agriculture industry. The agriculture industry is highly seasonal, which causes the results of operations and cash flows of the companies in the industry to fluctuate during the year. Many agricultural products are based upon the planting, growing and harvesting cycles. Agricultural products are global commodities and are subject to intense price and quantity competition from both domestic and foreign sources. Agricultural customers base their purchasing decisions principally on the delivered price and availability of agricultural products. Failure to accurately anticipate and prepare for the demands of agricultural customers, which often may be difficult to do, may reduce sales or increase the risk of product obsolescence by the companies in which a Fund or Managed Account may invest.

Weather conditions have significant impact on the agriculture industry and, consequently, on the operating results of companies servicing the agriculture industry. Weather conditions may also directly affect certain companies operating in the agriculture industry. For instance, the operations of companies that engage in the manufacture of certain agricultural products may be subject to significant operational interruption if one or more of their facilities were to experience a major accident, or be subject to damages resulting from severe weather conditions or other natural disasters.

Many companies producing agricultural products purchase production inputs from third parties, and fluctuations in the price of raw materials for agricultural products cause fluctuations in the operating results of the companies that produce them.

Economic forces, including agricultural commodity, energy and financial markets, foreign exchange rate fluctuations as well as government policies and regulations affecting the agricultural sector and related industries, could adversely affect the operations and profitability of the companies in which a Fund or Managed Account may invest.

Driven by environmental and health concerns, there has been increasing legislation, especially in the U.S., that either encourages or requires use of alternative fuel sources such as ethanol that are produced by processing corn and other biomass.

A Fund or Managed Account may invest in companies engaged in the production of ethanol and other energy-related products produced with certain agricultural products. Such companies may face additional risks that may not be shared by other companies in the agriculture industry.

The number of individuals with expertise in the agriculture industry is limited. The loss of the services of a key executive by a company in which a Fund or Managed Accounts may invest could have a material adverse effect on such company since their replacements may be hard to find due to a limited pool of qualified candidates.

Many countries have government programs that provide financial support to agricultural customers and farmers. Any changes in these government programs, which may not be foreseen or predicted, can cause shifts in demand for and supply of the products that are produced or utilized by the companies in which a Fund or Managed Account may invest, which, in turn, might adversely affect a Fund's or Managed Account's performance.

Industry-Specific Risks of Basic Materials Companies. The Funds and Managed Accounts may invest in the basic materials sector and such investments may represent a significant portion of a Fund's or Managed Account's portfolio. To the extent that a Fund's or Managed Account's assets are concentrated in the materials sector, such Fund or Managed Account will be more affected by the performance of the materials sector than a portfolio that was more diversified. Companies in the basic materials sector may be adversely affected by commodity price volatility, exchange rates, import controls and increased competition. At times, worldwide production of industrial materials has exceeded demand as a result of over-building or economic downturns, leading to poor investment returns or losses. Other risks may include liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control. The basic materials sector may also be affected by economic cycles, technical progress, labor relations, and government regulations.

Industry-Specific Risks of Energy Companies. The Funds and Managed Accounts may invest in energy companies, which are also subject to risks that are specific to the industry they serve. Energy companies that provide crude oil, refined product and natural gas services are subject to supply and demand fluctuations in the markets they serve which will be impacted by a wide range of factors, including fluctuating commodity prices, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, declines in domestic or foreign production, accidents or catastrophic events, and economic conditions, among others.

Energy companies with propane assets are subject to earnings variability based upon weather conditions in the markets they serve, fluctuating commodity prices, increased use of alternative fuels, increased governmental or environmental regulation, and accidents or catastrophic events, among others.

Energy companies with coal assets are subject to supply and demand fluctuations in the markets they serve, which will be impacted by a wide range of factors including, fluctuating commodity prices, the level of their customers' coal stockpiles, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, declines in domestic or foreign production, mining accidents or catastrophic events, health claims and economic conditions, among others.

Energy companies engaged in the exploration and production business are subject to overstatement of the quantities of their reserves based upon any reserve estimates that prove to be inaccurate, that no commercially productive oil, natural gas or other energy reservoirs will be discovered as a result of drilling or other exploration activities, the curtailment, delay or cancellation of exploration activities are as a result of a unexpected conditions or miscalculations, title problems, pressure or irregularities in formations, equipment failures or accidents, adverse weather conditions, compliance with environmental and other governmental requirements and cost of, or shortages or delays in the availability of, drilling rigs and other exploration equipment, and operational risks and hazards associated with the development of the underlying properties, including natural disasters, blowouts, explosions, fires, leakage of crude oil, natural gas or other resources, mechanical failures, cratering, and pollution.

Item 9 –Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Adviser or the integrity of Adviser's management.

On May 28, 2009, in matter No. WTM/KMA/68/ISD/05/2009, the Securities and Exchange Board of India ("SEBI") issued an Interim Order regarding Mr. Dipak Patel (then a co-portfolio manager of Passport's India strategy), Passport, Passport India Investments (Mauritius) Limited ("Passport India"), and certain other parties. The Interim Order cited prima facie findings that Mr. Patel shared information with two individuals in India regarding certain anticipated trades to be made by Passport India.

Passport placed Mr. Patel on administrative leave and Mr. Patel resigned from Passport shortly thereafter.

The May 28, 2009 interim order issued by SEBI required, among other things, (1) Dipak Patel not to buy, sell or deal in securities, (2) Dipak Patel not to be associated with any foreign institutional investor (as defined by SEBI), (3) Passport and its sub-account Passport India to conduct an internal inquiry into the matter identified in the interim order and to initiate appropriate action against Dipak Patel, (4) Passport and Passport India to submit a report to SEBI describing the actions taken by them in response to the interim order, and (5) Passport and Passport India to take measures to ensure that trading information is not used to the detriment of market integrity. The interim order also imposed certain obligations on other parties not affiliated with Passport. Passport believes that it timely complied with the interim order in all respects. Mr. Patel is no longer employed by Passport or its affiliates. Passport retained outside counsel to investigate this matter, and a report was provided to the SEBI advising, among other things, that the action of Mr. Patel as described in the interim order was contrary to Passport's then-existing policies and that no one else at Passport authorized or was aware of such activity by Mr. Patel. On November 9, 2012, the Securities Appellate Tribunal ("SAT"), Mumbai issued an order to dispose of Appeals no. 216 of 2011, 64 and 78 of 2012 filed by Mr. Patel and certain other appellants. The order stated that (i) while Mr. Patel's conduct may have constituted fraud against Passport, it cannot be said that a fraud was played on the market and (ii) SEBI had erred in holding the appellants guilty of violating regulation 3 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003. As such, the SAT, Mumbai set aside the orders against Mr. Patel and the other appellants.

On September 4, 2013, the SAT issued a conflicting ruling in an unrelated case holding that the court should give a liberal interpretation to the concept of front running and that liability for front running should apply to all those connected with the capital markets, not just intermediaries (i.e., brokers).

On June 7, 2016 SEBI issued an order which now cites the subsequent SAT 2013 ruling and re-instates the May 2009 interim order sanctions against Mr. Patel and certain other appellants. Passport India has not had involvement or contact with SEBI regarding the matter since providing its report to SEBI described above.

In a matter unrelated to the above, on March 16, 2011 Passport India received a notice of inquiry form from SEBI regarding a late exchange filing which Passport India had self-reported to SEBI. Specifically, Passport India late filed its disclosure that its position in a particular security had decreased more than 2%. Passport India invoked SEBI's consent order process and resolved the matter without any admission of liability or violation. A monetary fine in the amount of approximately $18,050.00 USD was paid and the consent order was passed on July 27, 2011.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Passport nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Passport is registered as a commodity pool operator with the U.S. Commodity Futures Trading Commission in respect of the Passport Special Opportunities funds.

In addition to serving as the investment adviser or sub-adviser for the Funds and Managed Accounts, Passport serves as the managing member to various affiliated entities, and Passport Holdings, LLC, an affiliate of Passport, serves as general partner of a number of private investment funds.

Passport does not recommend or select other investment advisers for its Clients from which it directly or indirectly receives compensation.

As described above, Passport and its affiliates serve as manager, managing member, general partner, director and/or investment adviser to private investment funds and makes investments in the Funds and Managed Accounts available to qualified individual and institutional investors. Passport does not advise Clients as to the appropriateness of investing in such private investment funds. Passport does not receive any compensation for making the investments available to investors (except to the extent that Passport receives Management Fees and performance-based fees) or for selling interests in the Funds.

Item 11 – Code of Ethics

Passport has adopted a Code of Ethics for all supervised persons describing its standards of business conduct. The Code of Ethics includes provisions relating to the confidentiality of investor information, personal securities trading, acceptance of gifts, and participation in outside business interests, among other things. All supervised persons at Passport must acknowledge the terms of the Code of Ethics annually and when amended. A copy of Passport's Code of Ethics is made available to investors and prospective investors upon request.

Passport anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which it has management authority to purchase or sell securities in which Passport, its affiliates and/or Clients, directly or indirectly, may have a position of interest. Passport anticipates that in most, but not necessarily all, circumstances it will also recommend such purchases or sales of securities to Clients.

The determination and resolution of any conflict will be addressed by the Chief Compliance Officer.

All employees and other supervised persons are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, Passport and its members, owners, directors, officers and employees, and their immediate families to the extent residing in the same household may trade for their own accounts in securities that are recommended to and/or purchased for Passport's Clients. The Code of Ethics is designed to prevent the personal securities transactions, activities and interests of employees and other supervised persons from interfering with their duty to act in the best interest of Passport's Clients. However, actual or apparent conflicts of interest may exist. Personal trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Passport and its Clients. The Code of Ethics requires pre-clearance of many transactions and restricts trading in close proximity to Client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit Passport and its employees and other supervised persons to invest in the same securities as Clients, or in securities that Passport determines is not appropriate for a Client due to certain parameters of the investment strategy for such Client, there is a possibility that supervised persons might benefit from market activity by a Client in a security also held by a supervised person or benefit from a security that is not otherwise held by a Client.

Passport manages portfolios on behalf of its Clients for which certain securities or investment opportunities may be appropriate for more than one Client. Passport has adopted a Trade Aggregation and Allocation Policy that applies to all portfolios managed by Passport, which is reasonably designed to ensure that trades and investment opportunities are allocated on a basis Passport believes to be fair and equitable. This policy is reviewed and updated as needed on a periodic basis.

In allocating investment opportunities among Clients, Passport will consider several factors including:

a. The investment objectives of the respective Client;

b. The current exposure of each Client to that particular position or that particular sub-sector;

c. The target allocation of each Client for that particular position or that particular sub-sector;

d. The current exposure (long, short, gross and net) of each Client in total and by sub-sector; and

e. The liquidity of the investment opportunity.

Passport may cause a Client to invest in a company undertaking an initial public offering ("IPO"). Such issuers typically have a limited operating histories, and therefore IPO investments may, in many cases, be considered speculative. As a result, in allocating an IPO investment opportunity, consistent with the factors set forth above, Passport will pay special attention to the suitability of the IPO investment vis á vis a particular Fund's or Managed Account's investment objectives and strategies. Specifically:

- The Passport Global strategy will generally participate in IPO investment opportunities, consistent with its global macro strategy.
- The Passport Long/Short strategy and Passport Liquid Long Short strategy generally will not be allocated IPO investment opportunities because such investments have no track record and therefore generally do not meet the liquidity requirements of these strategies (e.g., market capitalization and historic average daily trading volume).
- The investment objective of the Passport Special Opportunities strategy is to create a concentrated portfolio of high conviction, longer duration positions. The Passport Special Opportunities strategy will generally not be allocated IPO investment opportunities—only if Passport determines to cause such strategy to take a long-term, meaningful position in the IPO issuer will this strategy receive such an allocation.

To the extent more than one strategy or client is allocated an IPO investment, such allocation will be made based on the strategy and other factors noted herein for limited investment opportunities.

From time to time, Passport may obtain limited investment opportunities in certain securities in an amount that Passport determines to be appropriate for some or all of the Funds, including certain Funds that may be formed for the purpose of participating in co-investment opportunities, or Managed Accounts, and the remaining portion of which, if any, Passport may elect to make available for co-investment (each, a "Co-Investment Opportunity") to current and prospective investors. In addition, Passport and/or its affiliates may separately participate in the Co-Investment Opportunities offered to Funds and Managed Accounts and investors. As such, Passport and/or its affiliates may hold the same securities as are held by a Fund or Managed Account or certain of the investors therein, and this may create a conflict of interest among Passport, such affiliated holders and the respective Fund, Managed Account or investor. In cases where the portfolio manager deems the investment opportunity appropriate for a Fund or Managed Account, Passport would make the Co-Investment Opportunity available to individual investors once the Funds and Managed Accounts have been allocated their appropriate share of the available investment opportunity.

From time to time, Passport may accept as investors in a Fund certain affiliated entities and individuals, including Passport and its affiliates, as well as other private investment vehicles of which Passport is a general partner, manager, or investment adviser. For example, Passport, its employees or a related entity will generally have an investment in the private investment vehicles Passport manages. Passport may also invest a Fund's or Managed Account's assets, either directly or indirectly, in investment vehicles managed by Passport. Therefore, Passport, its employees or a related entity may participate, indirectly, in transactions effected for private investment vehicles. Due to the relationship between Passport and such private investment vehicles, Passport could be considered to have recommended the investment should a person who is otherwise a Client of Passport invest.

Periodically, Passport may seek to adjust or rebalance Client investment accounts or portfolios by effecting cross trades between or among such Client investment accounts, including accounts of Funds in which Passport and/or its affiliates are invested (i.e., causing one or more such Funds to sell securities to one or more such Funds or Managed Accounts). Cross trades may involve conflicts of interest between or among Passport and the accounts of Clients participating in the cross trades as well as among the participating Client accounts. In effecting cross trades, Passport seeks to reduce the transaction costs to its participating Clients with respect to such account adjustments. All such cross trades will be consistent with the investment objectives and policies of each Fund or Managed Account involved in the trades and typically will be effected at a current independent market price of the securities involved in the trades determined by Passport or by an authorized representative of any Passport-advised Fund or Managed Account involved in the cross trade. If no independent market price is available, a cross trade will not be effected subject to limited exceptions requiring express approval of an alternative pricing methodology by Passport's compliance group. Notwithstanding the foregoing, if the assets of any Client account are deemed to be "plan assets" under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Passport will not effect cross trades with respect to that Client's account unless Passport determines that the account's participation in cross trades would not result in a prohibited transaction under ERISA. In addition, certain Passport strategies do not participate in cross trades.

The Adviser or its affiliates may enter into "principal transactions" with Clients within the meaning of Section 206(3) of the Advisers Act in which any of the Adviser or such affiliates act as principal for its own account with respect to the sale of a security to or purchase of a security from a Client. Principal transactions and other significant transactions between a Client and the Adviser or its affiliates will be done in compliance with applicable law. In analyzing such trades, the Adviser will have a conflict between acting in the best interests of the applicable Client and assisting itself or its affiliate by selling or purchasing a particular security. The determination and resolution of any conflict will be addressed by the Chief Compliance Officer.

Item 12 – Brokerage Practices

Federal law requires Passport to deal fairly and honestly with and on behalf of its Clients. While Passport is not required to obtain the lowest available commission rate for executing a given trade, it is Passport's fiduciary obligation to use its "best efforts" to obtain a reasonable commission rate in relation to the quality of the execution and the value of brokerage services received from the executing broker. Therefore, Passport has adopted standards with respect to executing trades.

It is Passport's policy for the Chief Operating Officer, in consultation with the portfolio managers and traders, to assess a new broker-dealer relationship using some or all of the following performance factors:

- Execution capability;
- Research quality;
- Commissions and pricing;
- Block trading coverage for a particular security;
- Effective communications;
- Ability to position the proposed trade (for example: the trading of odd lots)
- Distribution and underwriting capabilities;
- Use of electronic efficiencies;
- Ability to settle trades efficiently;
- Financial stability;
- Ancillary services; and
- General reputation.

No relationship may be initiated or maintained with a broker-dealer that is:

- Suffering business continuation difficulties that have been publicly reported upon that in the opinion of the Chief Compliance Officer impacts its ability to perform.

- A party to litigation or the subject of government investigation that in the opinion of the Chief Compliance Officer impacts its ability to perform.

Passport evaluates existing broker-dealer relationships using the assessment factors itemized above.

Passport conducts meetings with trade personnel (including portfolio managers and traders) to review its approved broker dealers, as reflected on Passport's written broker commission report.

Research and Other Soft Dollar Benefits. It is Passport's policy to limit its use of soft dollars to arrangements falling within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended. Only bona fide research and brokerage products and services that provide assistance to Passport in the performance of its investment decision-making responsibilities are permitted and any allocation of brokerage commissions is reasonable in relation to the research, service or product provided.

Passport receives a wide range of research services from brokers and dealers. These services include information on the economy, industries, groups of securities, individual companies, statistical information, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and analysis of corporate responsibility issues. These services provide both domestic and international perspective. Passport may use soft dollars to pay for research services provided by companies owned by, or affiliated with, Passport or its principals only if Passport determines that: (i) the research services provide assistance to Passport in its investment decisionmaking responsibilities, (ii) any such arrangement is made on arm's length and (iii) the fees paid to such providers are reasonable in relation to similar services available in the marketplace. As of the date hereof, Passport uses soft dollars to pay DeMARK, a data analytics provider that is owned less than 25% by John Burbank (see above). Research services are received primarily in the form of written reports, computer-generated services, telephone contacts and personal meetings with security and macro analysts. In addition such services may be provided in the form of meetings arranged with corporate and industry spokespersons, economists, academicians and government representatives. In some cases, research services are generated by third parties but are provided to Passport by or through broker-dealers.

Consistent with seeking best execution, Passport may direct transactions for the Funds and Managed Accounts to executing brokers in return for research or brokerage services furnished by them to Passport. Selecting an executing broker in recognition of such research or brokerage services, rather than on the basis of simple transaction execution, is known as paying for those services with "soft dollars." Research and other brokerage services or products received by Passport generally will be used to service all of the

Passport-advised Funds and Managed Accounts. However, it is possible that brokerage commissions paid by the account of a particular Fund or Managed Account may be used to pay for research or services that are not used in managing that particular Fund or Managed Account. In some cases, the soft dollars paid to an executing broker for a Fund's or Managed Account's transactions may be greater than the commissions that are charged by another broker that does not provide soft dollar research or services to Passport. Because many brokerage soft dollar products or services could be considered to provide a benefit to Passport, and because the soft dollars used to acquire them are the assets of the client Funds and/or Managed Accounts paid as execution costs, Passport could be considered to have a conflict of interest in allocating client brokerage business.

Passport does not use brokerage in exchange for client referrals nor does it participate in directed brokerage.

Aggregation Policy. The SEC has stated that when a transaction is suitable for more than one client, an investment adviser may aggregate trade orders and allocate purchase and sale opportunities on a fair and consistent basis. Management of the Funds' and Managed Accounts' portfolios is governed by the principle of fair allocation of investment opportunities.

Passport manages portfolios for which certain securities or investment opportunities may be appropriate for more than one of the portfolios. The following policy applies to all portfolios managed by Passport, except to the extent regulatory guidance may require that certain additional criteria be satisfied with respect to RICs sub-advised by Passport that are designed to prevent a RIC from participating in an aggregated trade on terms less advantageous than those of another participant, and is designed to ensure that trades are allocated on a basis Passport believes to be fair and equitable.

Subject to exceptions referenced below, Passport aggregates contemporaneous trade orders for the same security on the same day. Each Fund or Managed Account that participates in an aggregated order through a broker will participate at the average price for all of Passport's transactions that fill that order that day. Transaction costs are promptly allocated to each applicable Fund and Managed Account on a pro rata basis based upon the ratio of the amount of particular issue of securities purchased or sold for the fund/account in relation to the overall amount of that issue purchased or sold for all accounts in the aggregated order.

On occasion, Passport will not purchase or sell in a single day all of the securities ordered as part of an aggregated order. If the order is partially filled, it will generally be allocated pro rata in proportion to the size of the orders placed for each fund based on the final allocation instructions.

Notwithstanding the foregoing, if an order is partially filled, it may be allocated on a basis different from that specified in the final allocation instructions, provided that the participating funds/accounts receive fair and equitable treatment consistent with this policy and procedures. The reason(s) for allocating on a basis different from the final allocation should be explained in reasonable detail and documented with the Compliance department.

Once an order is filled, or partially filled, subsequent same day orders for the same security from other funds or accounts will not necessarily be aggregated with the previously filled order if to do so would not be equitable under the circumstances.

Different portfolio managers or teams may on occasion be active in the same security on the same day. Orders for the same security on the same day may be worked and filled separately if the terms of the orders, or the desired pace of fill specified by the respective portfolio managers, are different, or if the portfolio manager(s) specifically request individual order segregation.

Other permissible bases for not aggregating trades in a particular situation include: use of limit orders or other different terms or objectives makes aggregation disadvantageous or inequitable; the head trader or relevant portfolio managers determine in a particular case that all participating funds or accounts would likely benefit from working orders individually with several brokers; foreign market regulations or foreign market settlement practices preclude effective aggregation; or the head trader or relevant portfolio managers determine that aggregation will create trading inefficiencies in a given case.

Item 13 – Review of Accounts

John Burbank serves as the sole managing member and Chief Investment Officer and manages a staff of investment and trading related personnel. Mr. Burbank is charged with the management and review of the Funds and Managed Accounts.

Reviews of the Passport-advised Funds and Managed Accounts are performed by the applicable portfolio managers and risk team member(s), Chief Investment Officer, and Chief Operating Officer. There are no “periodic” reviews, as the portfolios are monitored continuously. The reviewers are instructed to focus on factors such as performance of a position compared to its industry and in light of general economic trends, and to monitor individual security position levels, diversification levels, cash and cash-equivalent positions, other position limits, industry, country and sector weightings and adherence to investment guidelines.

Investors in the pooled investment vehicles receive a monthly statement of their holdings in the Funds managed by Passport. At least annually, pooled investment vehicle investors receive a letter stating annual performance and discussing investment outlook, provided that investors in Passport Ventures receive quarterly statements of their holdings and may or may not receive an annual letter. Holders of the Managed Accounts receive such reporting as designated in the IMA in place for each Managed Account.

Item 14 – Client Referrals and Other Compensation

Third Party Solicitor Arrangements: Passport may enter into third party solicitor arrangements whereby it pays a referral fee for Investor referrals. Any such arrangements are consistent with Rule 206(4)-3 of the Advisers Act. Under no circumstances is any Client disadvantaged by the payment of such fees. Clients of Passport whose accounts involve third party solicitor arrangements are advised of the arrangement in writing and do not pay higher fees as a result of the arrangement.

Item 15 – Custody

Neither Passport, nor any parties affiliated with Passport, maintain physical possession of any assets or securities of any Fund or Managed Account. With the exception of certain instruments evidencing ownership of certain privately issued securities, custody of the assets of each Fund is maintained under clearing broker arrangements with one or more clearing brokers or banks (the "Custodian") selected by Passport in its sole discretion, each of whom is a "qualified custodian" as required under Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). Such instruments evidencing ownership of privately issued securities are maintained in accordance with the Custody Rule. Passport enters into a Disbursement Procedures Agreement with each Fund's Custodian, which restricts the Custodian from making any fee or allocation payments to Passport or its affiliates from any account maintained by the Custodian unless they receive a duly signed request from the outside Administrator of the Fund in conjunction with an authorized signatory of Passport with the exception of Passport Ventures where Passport has sole authorization. Due to the nature of certain affiliations Passport or certain of its related persons has with the general partners or directors of certain Funds and/or its service as general partner or managing member of certain Funds, Passport is considered to have custody of client funds and securities under Rule 206(4)-2 under the Advisers Act. Passport follows the applicable requirements of this Rule for all Funds for which it has custody.

Item 16 – Investment Discretion

Passport has full discretionary authority over assets held by the Funds and discretionary Managed Accounts, limited only by the investment guidelines set forth in each Fund's governing documents, PPM and IMA and each discretionary Managed Account's IMA. Investment discretion exercised by Passport includes discretion regarding:

1. Securities to be bought or sold;
2. The amount of the securities to be bought or sold;
3. The broker-dealer to be used in the transaction; and
4. The commission rate to be paid to the broker-dealer that executes the transaction.

Passport's discretionary authority may be subject to conditions imposed by each Fund and Managed Account (for example, investment restrictions regarding specific securities or industries, gross or net exposure guidelines, or maximum position sizes).

Prior to assuming discretionary authority of a new Fund or Managed Account an IMA is prepared and executed.

Item 17 – Voting Client Securities

Passport accepts and exercises proxy voting authority with respect to securities held in the pooled investment vehicles (and may do the same with regard to certain RICS, Managed Accounts and UCITS as mandated by their respective IMAs) with the exception that securities held within the quantitative equities trading sub-strategy of the Global fund and those securities that may be lent out pursuant to a Master Securities Lending Agreement may, from time to time, not be voted by Passport. Applicable law states that it is a fraudulent, deceptive or manipulative act for Passport to exercise voting authority with respect to the Funds' or Managed Accounts' securities without first adopting and implementing written policies and procedures that are reasonably designed to ensure that proxies are voted in the best interest of its Clients. Potential or actual conflicts of interest that exist between the Firm (or its principals or employees) and the Fund or Managed Account's best interests may require that either Client consent to vote the proxy is obtained or that Passport delegate voting authority back to the Client or a qualified third party. Generally, Clients are not able to direct the vote in a particular situation. Policies and procedures are implemented by Passport to ensure its compliance with all regulatory requirements and are made available to investors in the Funds and Managed Accounts upon request.

Upon written request to a member of Passport's investor relations group or its Chief Compliance Officer, Passport will promptly provide an Investor in a Fund or Managed Account information as to how the Client voted (or declined to vote) a proxy(s) relating to a security(s) held by the Client, including the date of such action and the basis for the vote or decision not to vote a proxy(s).

Managed Accounts and RICs may decide to vote their own proxies. In such cases they will receive their proxies or other solicitation directly from their custodian or a transfer agent. A Managed Account or RIC may contact Passport's Chief Compliance Officer with questions regarding a particular solicitation.

Item 18 – Financial Information

Passport does not require or solicit pre-payment of fees six months or more in advance. Passport has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

This section is not applicable to Passport.